



Public Hearing – March 7, 2023  
Energy Committee

Testimony Submitted by Commissioner Katie S. Dykes

**House Bill No. [1170](#) – An Act Concerning the Procurement of Zero-Carbon Resources from Eligible Nuclear Power Generating Facilities**

Thank you for the opportunity to present testimony regarding House Bill No. 1170 – An Act Concerning the Procurement of Zero-Carbon Resources from Eligible Nuclear Power Generating Facilities. This bill would require the Commissioner of the Department of Energy and Environmental Protection (DEEP) to conduct a study about the need for future solicitations for zero-carbon electricity generating resources from eligible nuclear power generating facilities.

In 2017, when Millstone’s owner, Dominion Energy, Inc., indicated that the facility was at risk of shutting down, DEEP and PURA conducted a joint assessment of the Millstone nuclear generating facility, reviewed the facility’s financials, and determined that the facility was at risk of retirement given projected low energy market revenues and plant operating costs. Absent viable regional alternatives to support this critical resource, Connecticut entered into a ten-year contract with the Millstone facility for 9 million MWh of energy annually (approximately 36 percent of Connecticut EDCs’ load) and all environmental attributes associated with the plant through September 2029. By preventing the Millstone retirement, Connecticut saved the region from significant negative impacts on the region’s electric grid with respect to fuel diversity, energy security, and grid reliability; avoided an estimated \$1.8 billion (in 2017 dollars) in replacement costs that would have been borne by Connecticut ratepayers, and prevented regional carbon emissions from increasing by 20 percent. It is important to note, however, that these benefits are measured against the counterfactual of what ratepayers would have paid and emissions would have been if Millstone had retired. While 2022 saw elevated wholesale energy prices that led the Millstone contract to be a net benefit to ratepayers, in other years, the Millstone contract has been above market. Based on current forward energy prices, DEEP expects wholesale market prices to return to historical averages in the near-term, which would mean that the Millstone contract will be above market prices again in 2023 and beyond.

In its 2020 Integrated Resources Plan,<sup>1</sup> DEEP studied several scenarios that had the state achieving a zero-carbon electric supply by 2040. DEEP concluded that retaining Millstone would help achieve the goal. DEEP would be glad to engage with the Committee to explore the need for and design of mechanisms to ensure Millstone’s retention beyond 2029. It is important for

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<sup>1</sup> Department of Energy and Environmental Protection, 2020 Integrated Resources Plan, available at <https://portal.ct.gov/-/media/DEEP/energy/IRP/2020-IRP/2020-Connecticut-Integrated-Resources-Plan-10-7-2021.pdf>

analysis to occur in advance of any procurement or contract extension, just as the legislature provided for analysis to occur in 2018 prior to a contracting process moving ahead. DEEP would also note that the prior analysis that preceded the contracting process benefited from DEEP and PURA's ability to review the facility's financials.

Thank you for the opportunity to present testimony on this proposal. Should you have any questions, please do not hesitate to contact Harrison Nantz at [Harrison.Nantz@ct.gov](mailto:Harrison.Nantz@ct.gov).